



**TOGETHER**  
*for a sustainable future*

## OCCASION

This publication has been made available to the public on the occasion of the 50<sup>th</sup> anniversary of the United Nations Industrial Development Organisation.



**TOGETHER**  
*for a sustainable future*

## DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

## FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

## CONTACT

Please contact [publications@unido.org](mailto:publications@unido.org) for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at [www.unido.org](http://www.unido.org)

19

UNIDO MONOGRAPHS ON INDUSTRIAL DEVELOPMENT

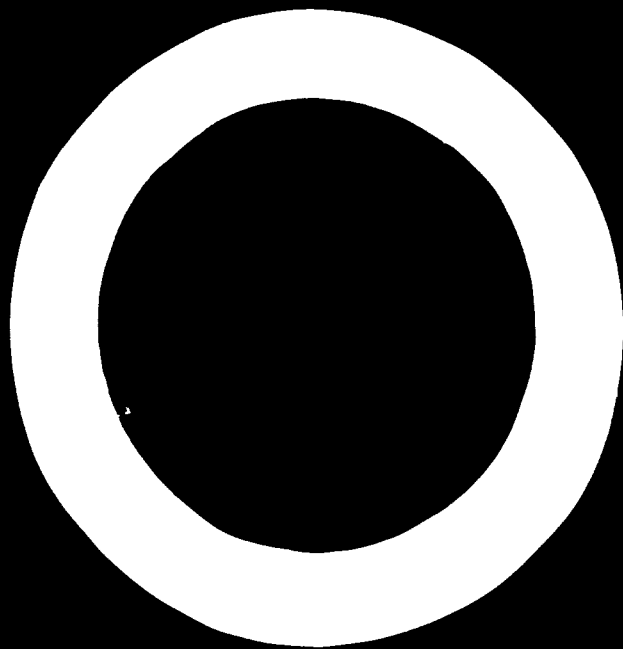
*Industrialization  
of Developing Countries:  
Problems and Prospects*

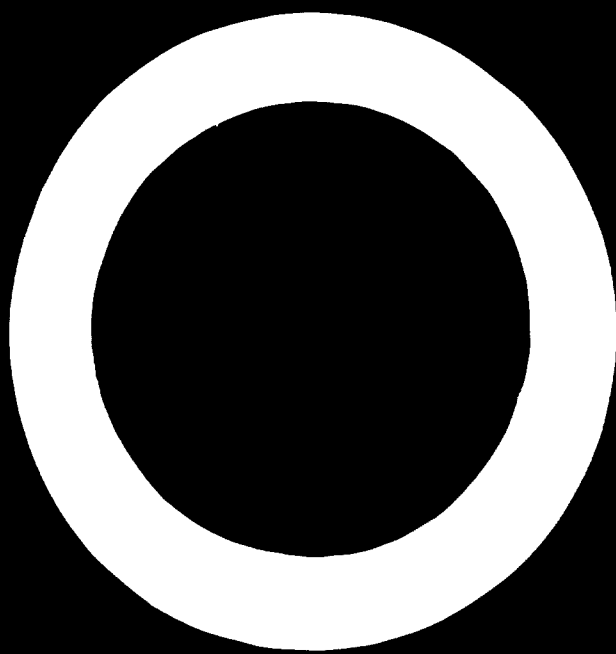
**PROMOTION OF  
EXPORT-ORIENTED  
INDUSTRIES**

D01175

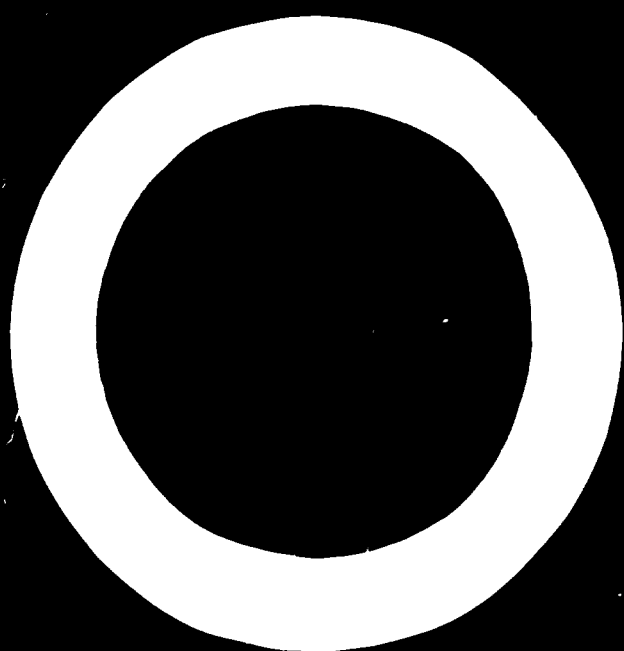


**UNITED NATIONS**





**PROMOTION OF EXPORT-ORIENTED INDUSTRIES**



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION  
VIENNA

UNIDO MONOGRAPHS ON INDUSTRIAL DEVELOPMENT

*Industrialization of Developing Countries:  
Problems and Prospects*

MONOGRAPH NO. 19

PROMOTION  
OF EXPORT-ORIENTED  
INDUSTRIES

Based on the Proceedings of the International  
Symposium on Industrial Development  
(Athens, November-December 1967)



UNITED NATIONS

New York, 1969

**Material in this publication may be freely quoted or reprinted, but acknowledgment is requested, together with a copy of the publication containing the quotation or reprint.**

**ID/40/19**

**UNITED NATIONS PUBLICATION**

**Sales No.: E.69.II.B.39, Vol. 19**

**Price: \$U.S. 0.50 (or equivalent in other currencies)**

**Printed in Austria**



## *Foreword*

**The International Symposium on Industrial Development**, convened by UNIDO in Athens in 1967, was the first major international meeting devoted exclusively to the problems of industrialization of the developing countries. It followed a series of regional symposia on problems of industrialization held in Cairo, Manila and Santiago in 1965—1966 under the sponsorship of UNIDO and the United Nations regional economic commissions, and a similar symposium held in Kuwait in 1966 under the sponsorship of UNIDO and the Government of Kuwait.

The Athens Symposium was attended by some 600 delegates from 78 countries and by representatives of various United Nations bodies, international organizations and other interested institutions in the public and private sectors. It provided a forum for discussion and exchange of views on the problems and prospects of the developing countries which are engaged in promoting accelerated industrial development.

The Symposium devoted special attention to possibilities for international action and for co-operative efforts among the developing countries themselves, and explored the scope, means and channels for such efforts.

Studies and papers on a wide range of problems relating to industrialization were presented to the Symposium—by the UNIDO secretariat and by participating Governments, international organizations and observers. An official report, adopted at the Symposium, has been published by UNIDO.<sup>1</sup> Based on this documentation and the discussions in the meeting, the present series of monographs is devoted to the 21 main issues which comprised the agenda of the Symposium. Each monograph includes a chapter on the issues presented, the discussion of the issues,

---

<sup>1</sup> *Report of the International Symposium on Industrial Development, Athens, 1967* (ID/11) (United Nations publication, Sales No.: 69.II.B.7).

and the recommendations approved by the Symposium. Some of the monographs deal with specific industrial sectors; some with matters of general industrial policy; and others with various aspects of international economic co-operation. An effort has been made to make the monographs comprehensive and self-contained, while the various economic, technological and institutional aspects of the subject matter are treated within the context of the conditions generally prevailing in the developing countries.

Since economic, technological and institutional aspects are described with particular reference to the needs of the developing countries, it is felt that the monographs will make a distinct contribution in their respective areas. They are intended as a source of general information and reference for persons and institutions in developing countries concerned with problems of industrialization, and particularly with problems and issues of international co-operation in the field of industrialization. With this in view it was considered that an unduly detailed technical presentation should be avoided while at the same time enough substantive material should be offered to be of value to the prospective reader. For a more elaborate treatment of the subject, the reader is referred to the selected list of documents and publications annexed to each monograph.

The annexes also contain information on the areas in which UNIDO can provide technical assistance to the developing countries on request; a selected list of major UNIDO projects in the respective fields; and a list of meetings recently organized by the United Nations.

It is hoped that the monographs will be particularly useful to Governments in connexion with the technical assistance activities of UNIDO and other United Nations bodies in the field of industrial development.

This monograph has been prepared by the secretariat of UNIDO.

## CONTENTS

INTRODUCTION .....	Page 1
<b>Chapter 1</b>	
THE BACKGROUND TO THE DEVELOPMENT OF EXPORT-ORIENTED INDUSTRIES .....	5
The evolution of import-substitution industries .....	6
Problems of switching to export-oriented industries .....	7
Regional co-operation .....	11
<b>Chapter 2</b>	
MEASURES OF GOVERNMENT ASSISTANCE IN INDUSTRIAL EXPORT DEVELOPMENT .....	13
Financial measures .....	13
Meeting international standards .....	17
Export promotion .....	18
<b>Chapter 3</b>	
THE INTERNATIONAL SYMPOSIUM ON INDUSTRIAL DEVELOPMENT: ISSUES, DISCUSSION AND RECOMMENDATIONS .....	20
The regional symposia .....	20
The issues presented to the International Symposium .....	21
The discussion .....	23
Recommendations approved .....	25
<b>Chapter 4</b>	
UNIDO AND OTHER UNITED NATIONS ACTION IN EXPORT PROMOTION	27
Production adjustments and changes to stimulate exports .....	32
Export promotion information and marketing services .....	33
Regional integration and co-operation .....	39

## Annexes

<b>ANNEX 1 UNIDO ASSISTANCE IN THE PROMOTION OF EXPORT-ORIENTED INDUSTRIES</b> .....	<b>41</b>
A. Areas in which UNIDO can provide assistance .....	<b>41</b>
B. Selected major technical assistance projects .....	<b>41</b>
<b>ANNEX 2 MEETINGS, TRAINING SEMINARS AND WORKING GROUPS ORGANIZED BY UNIDO OR BY THE UNITED NATIONS PRIOR TO THE INCEPTION OF UNIDO</b> .....	<b>44</b>
<b>ANNEX 3 SELECTED LIST OF DOCUMENTS AND PUBLICATIONS ON EXPORT-ORIENTED INDUSTRIES</b> .....	<b>45</b>

## EXPLANATORY NOTES

Billion refers to thousand million.

Dollar (\$) refers to US dollar unless otherwise specified.

The following abbreviations are used in this monograph:

ALALC	Latin American Free Trade Association
CACM	Central American Common Market
CARIFTA	Caribbean Free Trade Association
ECA	Economic Commission for Africa
ECAFE	Economic Commission for Asia and the Far East
ECLA	Economic Commission for Latin America
EEC	European Economic Community
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
ILO	International Labour Organisation
ISIC	International Standard Industrial Classification
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
WHO	World Health Organization

## INTRODUCTION

The Executive Director of UNIDO in his inaugural speech delivered to the International Symposium on Industrial Development, held in Athens in 1967, underlined the seriousness of the fact that, while the bulk of the world's population lived in the developing areas, the volume of manufacturing production in the developing countries taken as a whole still represented less than one twentieth of the total world production of manufactures. Moreover, he stressed that the promotion of exports of manufactured goods from the developing countries was vital as an element of industrial policy because, through the development of new and diversified export branches, the export position of the developing countries would be considerably strengthened and their economies rendered less vulnerable to fluctuations in the demand of raw materials on which their exports were largely dependent. The development of export markets, either regionally or internationally, would make possible more economic operation of existing industries and also the establishment of new industrial branches where there were comparatively advantageous conditions; these would provide the industrial structure of the developing countries with a new dynamism.

Many of the developing countries possessed large resources of industrial raw materials, at present generally exported in crude state, whose commercialization on the spot by industrial processing would substantially increase the export proceeds of the countries by the value added in processing. The generalization of that activity, whereby the bulk of industrial processing of raw materials would be relocated from the consuming to the producing countries would give a new dimension to the industrialization of the developing countries, and bring about a new and more equitable international division of labour.

Several United Nations bodies, including the regional economic commissions of the United Nations, are currently co-operating in helping developing countries in their efforts to promote exports. Special emphasis has been given in recent years to exports of manufactured products.

The objective of the work of UNIDO in this area is to promote the production of manufactures and semi-manufactures for export by assisting developing countries to assess their industrial policies and programmes. Such activities are aimed at the identification of new viable export industries and of measures designed to expand the export potential of already existing industries, or of those capable of export production, by increasing their capacity and raising their standards of productive efficiency. In order to deal with the problems of production for export, it is necessary to have a keen awareness of the intense rivalry for international markets which calls for continuous efforts to reach high standards of quality, design and performance while keeping prices competitive. The scope and nature of these problems and means of coping with them are discussed in the following chapters.

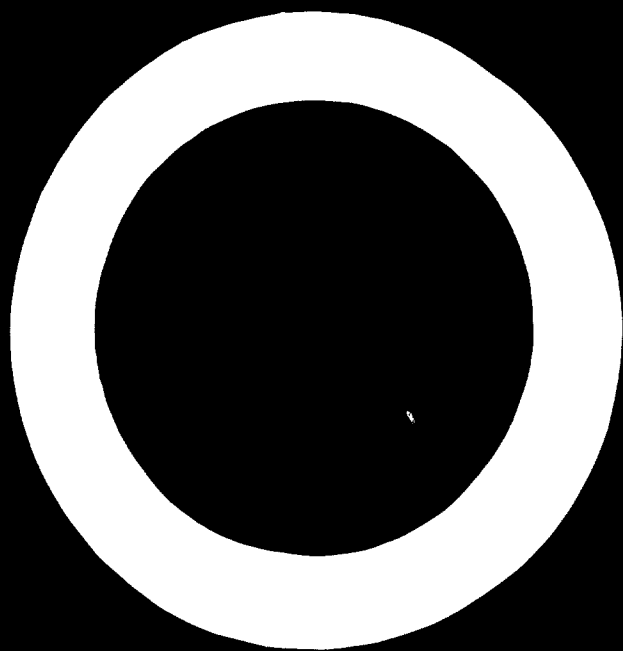
*Chapter 1* points out that the industrialization policy of many developing countries, formulated during the years of depression followed by the Second World War, was to establish domestic industries devoted to import substitution and protected by high tariffs. As a form of industrial growth, such enterprises have proved unsatisfactory in that they have not to any great extent relieved the shortage of foreign exchange or the problem of unemployment, while the domestic market for their goods is too small to support modern plants of economic size. Countries now tend, therefore, to orient their manufactures to export markets, but have encountered considerable difficulties in switching to export-oriented industries. Existing enterprises, based on import substitution, generally produce a wide range of products for undiscerning local customers, instead of concentrating on a comparatively narrow range of production in which the country has natural advantages. The cost of local inputs often makes their prices uncompetitive on world markets. In any case, industries in developing countries are at a considerable disadvantage in world trade because they are ill-equipped latecomers lacking experience and technical knowledge, particularly as regards quality, design and packaging. Promotion of export industries requires long-term forward planning and such a policy must be balanced against other claims on the economic resources of the country, since it will entail considerable expenditure. One method of mitigating some of these difficulties is the pooling of resources on a regional basis and the development of intra-regional trade. Something has been accomplished in this direction in Africa, Asia and Latin America.

*Chapter 2* deals with the ways in which the Government can assist in export development. It can assist financially by the provision of

capital and loans and by encouraging the investment of foreign capital in export industries. It can improve land transport facilities and subsidize shipping. It can grant incentives to export industries over and above those usually offered to promote general industrial growth. Such incentives may include exemption from the payment of domestic tariffs, income tax concessions and direct subsidies, duty free entry of machinery, and accelerated depreciation allowances. Another important form of assistance widely used by developed countries is a system of export credits coupled with export credit insurance. The Governments of developing countries must also encourage potential exporters to achieve products of internationally acceptable quality through the establishment of design centres and standards bureaux. Assistance is likewise needed in marketing and sales promotion, for which the Government may have to create a special institute. Governments of developing countries should provide trade commissioners abroad to promote their national exports.

*Chapter 3* reviews the issues discussed at the International Symposium, the discussion that took place and the recommendations approved, and gives an account of the conclusions reached at the four preceding regional symposia.

*Chapter 4* describes United Nations action for the promotion of exports from developing countries, with special stress on the need to co-ordinate the activities of UNIDO, whose activities are all related to this task, with those of other members of the United Nations family.





## THE BACKGROUND TO THE DEVELOPMENT OF EXPORT-ORIENTED INDUSTRIES

Concern was expressed at the Symposium over the declining share of the developing countries in total world exports: it had been 32 per cent in 1950 and decreased to 19.4 per cent by 1966. Of more specific relevance was the failure of developing countries to gain proportionate benefit from the rapid growth in world trade in manufactured products in recent years.

The developing countries have made significant progress in recent years in accelerating the growth of the industrial sector. Calculations based on the International Standard Industrial Classification (ISIC) indicate that the annual growth rate of manufacturing output in developing countries over the ten years prior to 1965 was almost 7 per cent. Over the same period, the developed market economies achieved an annual growth rate of about 5 per cent in manufacturing output, but the manufacturing base at the outset was some ten times larger in these countries than in the developing countries.

The expansion of manufactured exports from developing countries has moreover failed to keep pace with the increase in manufacturing output: between 1955 and 1965 the expansion was only 5.5 per cent per annum. Expanding exports of manufactures at this rate, the developing countries, far from increasing their share of the world trade in manufactures, have in fact not maintained the position they achieved in the later 1950s.

Using the ISIC measure, world trade in manufactures increased at a rate of 7 per cent between 1955 and 1964. Thus, from an average annual \$77 billion (1964 prices) in the late 1950s, world trade in manufactures reached \$109 billion in the early 1960s. During this period, the increase in exports of manufactures of developing countries from \$10 billion to \$13 billion meant that the share of developing countries in world trade of manufactures had in fact declined from 13 to 12 per cent.

### THE EVOLUTION OF IMPORT-SUBSTITUTION INDUSTRIES

For a number of developing countries, the experience of the depression of the early 1930s was a major factor in formulating later industrialization policies. The depression caused a sharp fall in prices of primary products, the main source of export income, and a shortage of capital from overseas. This, followed by the war years, when import goods were in short supply, encouraged policies of self-sufficiency with a view to reducing dependence on external sources. Import substitution, which made possible an industrialization programme based on a known, local market, held obvious attractions. This policy, while generating manufacturing income and employment, had the additional virtue of saving foreign exchange and giving the country the opportunity to acquire the necessary skills and experience in production and marketing.

Significant progress in industrialization has been achieved in many developing countries through policies of import substitution. However, import substitution cannot be continued indefinitely and is not uniformly successful. In some countries the over-all results have been disappointing. It is also considered that in a number of countries the limit has been or is being reached; import substitution is becoming increasingly less effective as a motivating force for industrial growth.

The normal method of implementing import substitution is to apply protective measures against imported manufactures which are eventually to be removed when the infant domestic industries have reached a competitive position. In a large number of cases, this second stage has not been reached, and high tariffs to protect narrow national markets encourage small uneconomic plants, weaken the incentive to introduce modern techniques, and slow down the rate at which productivity increases.

Moreover, the shortage of foreign exchange accompanying continued growth has been much more persistent than had been expected. Instead of automatically alleviating balance-of-payment difficulties, import substitution, coupled with the direct and indirect rise in import requirements that came in its wake, tended to aggravate them, and what was at first believed to be a temporary hurdle appeared more and more to be a permanent obstacle. After pursuing this policy for a number of years, countries continued to be dependent for the great bulk of their export earnings on the traditional primary products, while to service their industrialization efforts, manufactured goods—mainly equipment and machinery—had to be imported in increasing quantities.

Increased imports of capital goods and equipment proved to be in themselves an obstacle to smooth industrial growth. Before industrialization, the bulk of imports had been consumer goods and foodstuffs and a decrease of export income meant reduced imports of this type. As industrialization progressed and the proportion of imports of capital goods and equipment increased, it became clear that there was a limit to offsetting falls in export income by reducing imports of consumer goods and foodstuffs. Reduced purchasing power eventually meant therefore a reduction in imports of industrial equipment and a disruption of industrialization.

At the same time opportunities for future investment in import replacement industries appeared to diminish as time went on. Experience showed that the hopes of easing unemployment through the import replacement industry had been exaggerated. Even under the most favourable conditions the domestic accumulation of industrial capital fell short of what was needed to absorb even the increase in the labour force, let alone what was required to do away with open or disguised unemployment in the traditional sectors of the economy.

The extent to which a policy of import substitution can be introduced is largely determined by the size of the domestic market. Smaller developing countries, often with limited labour and capital resources, face difficulties in establishing plants large enough to yield substantial economies of scale. As a consequence a number of them, particularly in Southeast Asia, have increasingly oriented their manufacturing industries towards export markets, in several cases with a considerable degree of success.

#### PROBLEMS OF SWITCHING TO EXPORT ORIENTED INDUSTRIES

Policies of import substitution have normally been implemented without taking into account a systematic development of the manufacturing export sector. It has been assumed that when a level of industrialization has been achieved and the domestic market supplied for a particular product, the surplus production would spill over into the export market.

The anticipated spill over into export markets has not occurred in the majority of industries. The structural and technical inefficiency of industries protected by high tariff barriers is not consistent with successful export marketing. Furthermore import substitution weighs

heavily in favour of those products which still have a high elasticity of demand because national incomes are low in the developing country, while the market tends to be saturated in developed countries. Products initially produced for the domestic market are tailored to the requirements of that market, where customers are normally less discerning than in developed countries. To compete successfully in overseas markets exporters are required to make considerable product adaptation which involves serious production problems.

At the same time, the industrial structure that results from a policy of protecting domestic industries is not conducive to a successful export drive. Import substitution tends to spread productive resources over a range of industries, not necessarily stressing those in which the country has a natural advantage. When certain productive resources, such as skilled labour and capital are in short supply, an effective export policy requires that resources be concentrated on the narrow range of industries which enjoy definite natural advantages. These are the industries that can take advantage of economies of scale and improve their competitive prospects in international markets.

Import substitution discourages exports not only because of what it does to the industrial structure but because of its effect on costing. When a local industry is protected, the exporter using the product of that industry as an input is at an obvious disadvantage compared to the overseas competitor who has access to the input at a lower price. The eventual price of the exported product will be increased by the amount of the import tax on the input unless the Government has taken steps to counteract such export disincentives.

The experience of a large number of developing countries indicates that a policy exclusively directed to import substitution does not form a firm basis for an eventual manufacturing export drive. The export of manufactures requires specific attention and should rank as an explicit policy objective in the over all development and industrial plans of developing countries.

The extent to which emphasis is to be placed on export-oriented industries is fundamentally determined by the country's stage of industrial development. In the early period of growth, the emphasis will be on the domestic market, but, even at this stage, it appears essential to incorporate the basis for an export sector within the industrial framework. As industrialization progresses, this basis can be expanded and the manufacturing sector can assume an increased responsibility for earning the foreign exchange to meet its own growing import requirements. In the

long run, import substitution has serious limitations and export-oriented industries must form an integral part of a well balanced long-term development programme.

The opportunities for improvement of the balance of payments position through the development of export-oriented industries are readily apparent. These industries have the added advantage of imposing international standards of quality, design and performance on manufacturers in developing countries. The need to reduce prices and improve quality to a level acceptable in export markets encourages the accelerated development of management and technical skills within the producing countries.

However, these advantages must be balanced by the Government against its over-all economic objectives. Export promotion requires a considerable outlay; financial assistance must be channelled into selected industries at the expense of other sectors of the economy. Industry is only one branch of economic activity and should be considered in relation to other activities, such as the modernization of agriculture and the development of tourism, which might be of no less importance in many developing countries.

The effect of a policy of expanding manufactured exports on other sectors of the economy is well illustrated by considering the question of the exchange rate policy. A large number of developing countries, suffering from internal inflation, maintain an overvalued currency leading to prices above world levels. An important step that may be taken to encourage exports is the devaluation of the currency. Naturally, such a decision would have broad economic and political repercussions and can only be taken after consideration of the over-all economic goals of the country.

An export development policy also influences the attitude towards foreign investment. Investment should be channelled, where possible, into those industries which make a positive contribution to the balance of payments. These examples underline the fact that, to be successful, export expansion must be consciously incorporated into over-all industrial planning and cannot be treated as an afterthought hopefully tagged on to other economic objectives.

When a Government considers that the national interest would be best served by the promotion of manufactured exports, it is faced with the problem of selecting those industries with export potential and encouraging their development. The selection of industries to be turned towards export will be determined to a large extent by the resources available within the country and by the external demand.

Other factors will also influence the selection: for example, the choice between concentrating on labour-intensive or capital-intensive industries. It has been argued that developing countries should concentrate on labour-intensive industries to take advantage of low labour costs and, at the same time, alleviate the pressing unemployment problem. A contrary view is also held: that low labour costs are largely offset by low productivity in developing countries, and that these countries would be better advised to concentrate on capital-intensive industries which promote higher levels of technical skill and thus increase the rate of industrialization.

Problems such as these, and others related to resource- or research-based industries must be considered against the objectives of the particular country and its over-all economic strategy.

Basic to any policy for promotion of export-oriented industries is the recognition of the serious lack of marketing and technical know-how in developing countries and the severe competition in international markets. Developing countries are entering markets in which their competitors are firmly established and have substantial experience and know-how. They, on the other hand, suffer from limited financial resources and a lack of marketing and technological knowledge. In the circumstances, it is not surprising that the manufacturer in the developing country tends to prefer the security of the protected domestic market to the uncertainties of export markets.

It falls to the Government, therefore, to formulate a policy which will not only attract resources into the export sector but will also enable industrialists in the developing countries to compete on more even terms with their overseas competitors. A range of techniques is available to the developing country to achieve these ends. Specific assistance which the Government might give to the export sector is considered in some detail in chapter 2.

Insufficient attention to international standards of quality, design and packaging is a major handicap to the export efforts of developing countries. These matters are especially important in view of the opportunities for export growth through international co-operation. Increased foreign investment, licensing and subcontracting arrangements can help to further exports of manufactured goods from developing countries, provided that international standards of quality, efficiency, delivery etc. are met. Normally in a protected domestic market little attention is given to these matters and it is necessary for Governments to stimulate a greater awareness of their importance. The problem is further discussed in chapter 2.

## REGIONAL CO-OPERATION

It is difficult for a developing country to develop an export policy in isolation. If an export industry is to be successful in world markets, it has to make use of economies of scale. For this, the domestic markets of most developing countries are too small. The Symposium felt therefore that the pooling of resources of a group of developing countries was a pre-condition for the successful establishment of export-oriented industries. For such a pooling of resources, the individual country must eliminate from its development plan the concept of self-sufficiency and replace it with the idea of economic interdependence among countries or groups of countries.<sup>1</sup>

Some progress has already been made towards regional co-operation among developing countries. The Central American Common Market, the Latin American Free Trade Association and Regional Co-operation for Development are examples of the efforts of developing countries to achieve greater efficiency through greater specialization of each and larger markets.

At first sight, the statistics on the growth of regional trade in manufactures among developing countries do not appear encouraging. Calculations based on ISIC (classifications 2 and 3) indicate that the aggregated volume of exports of manufactured goods among developing countries in the period 1955—1964 rose at an average annual rate of 4 per cent, while exports of manufactures from the developing to the developed countries increased at about 6 per cent per year.

A truer indication of the development of regional co-operation than that given by the total figures is seen in the trade flows within the respective regional groupings—Africa, Asia and Latin America. Between 1961 and 1965, the growth of trade in manufactures within Africa achieved an annual rate of about 30 per cent and that within the Latin American group 40 per cent. The growth rate achieved in the Asian area was somewhat lower, although the net base was higher than in the other two regions. The combined figures of the three intra-regional flows showed an annual growth of intra-regional trade in manufactures of about 13 per cent.

The increase was attained despite considerable difficulties. Progress towards regional integration was hampered by the strong traditional trading links between developed and developing countries; the lack of trading

<sup>1</sup> See Monograph 18 "Regional Co-operation in Industrial Development" in this series.

and transport facilities between developing countries; and the reluctance of developing countries to forego customs revenue and liberalize regional trade. These obstacles, coupled with the inexperience of developing countries in intergovernmental co-operation, and the unwillingness of some of them to participate in regional projects, when the project is located in another country of the region, will have to be gradually broken down if the full potential of intra-regional trade is to be realized.



## MEASURES OF GOVERNMENT ASSISTANCE IN INDUSTRIAL EXPORT DEVELOPMENT

In a developing country which enters late into the field of industrialization, the Government must assume a considerable share of the responsibility for accelerating the rate of industrial growth. In creating an environment conducive to industrial expansion, and in providing the institutional framework to promote it, the Government must undertake functions which in many developed countries would be discharged by private commercial enterprises of long standing.

When the country is pursuing a policy not only of accelerating industrial growth but also of promoting export-oriented industries, the increased responsibility of the Government is apparent. The Government has to allocate scarce resources, particularly those of capital and experience, with a bias in favour of the industries with definite export potential. At the same time, it must introduce the necessary organizational structure to promote industrial exports.

### FINANCIAL MEASURES

#### Capital

In the provision of loans for fixed or working capital, the Government giving preference to exports will ensure loans to export industries on terms below normal market rates.

As regards domestic capital, the establishment of a development bank may assist these measures. Such a bank may channel funds into the export sector to finance projects that are considered in the long-range national interest but which would not normally attract private capital.

When, as is the case in most developing countries, there is a general policy to promote investment from abroad, the opportunity to channel

it specifically into export-oriented industries is limited. Nevertheless, Governments may, when negotiating with foreign interests, place emphasis on such aspects as reasonable freedom from export franchise restrictions. Furthermore, when the country has introduced a policy of industrial incentives, the incentive should, if possible, be linked to export performance.

Some countries indicate their preference for export oriented industries in their campaigns to attract foreign investment. "Foot loose" industries are grouped together into industrial estates which are organized to produce for export. Such estates have promotional agencies to attract capital and stimulate investment in export industries. Government influence of this sort is beneficial because grouping companies together and promoting mergers in certain industries is useful in attracting capital and also in enabling export companies to benefit from cheaper facilities of power, transport etc. and to take advantage of economies of scale.

### **Transport facilities**

Inadequate transport facilities have proved a major handicap to export development plans in certain developing countries. To overcome this problem, preference is often given in public construction programmes to those facilities—ports, access roads and rail services—which would directly assist export-oriented industries. In addition, in cases where the Government controls road or rail services, concessional freight rates are given to goods destined for export markets.<sup>2</sup>

In addition to improving the internal transport system, it is sometimes necessary for the Government to intervene in shipping. The exporter in the developing countries is usually dependent on foreign-owned shipping lines and irregular services can disrupt his export operations. Government assistance can take the form of negotiating with overseas shipowners to obtain freight concessions. Bilateral and multilateral "maritime transport agreements" can be concluded at a government level on a pooling or payment-clearing basis in order to obtain certain facilities and concessions for local exporters. In some cases, to ensure regular

<sup>2</sup> Similar concessional rates are given in some instances for the power consumed by export-oriented industries. However, in this case, the system is more difficult to administer in that the concession is often granted before any export orders are received by the company. Concessional rates on power can also distort the power consumption pattern since when power is artificially reduced in price it may be used wastefully.

shipping services at freight rates which do not unduly add to the price of exports. Governments subsidize shipping lines or promote the organization of national shipping companies.

### **Fiscal incentives**

Measures to stimulate industrial exports are normally undertaken in conjunction with incentives to promote general industrial growth. Such incentives may include investment allowances, accelerated depreciation arrangements and "tax holidays" to attract a greater capital inflow into the industrial sector, grants for training purposes, or special depreciation allowances to cover research and development expenditure in order to stimulate greater activity in these areas.

These measures are aimed at promoting general industrial expansion and are not specifically intended for export oriented industries. Nevertheless, they often serve as indirect export incentives. The cost saving resulting from lower taxation rates associated with accelerated depreciation, for example on a subsidized training programme, are reflected in reduced prices which, if the product is sold overseas, can result in greater export sales.

More direct export incentives are seen in the range of schemes introduced in developed and developing countries which allow the domestic producer to compete internationally without the hindrance of domestic tariffs or other taxes imposed in the producing countries. The exact form of these schemes varies from one country to another according to the system of taxation, the particular industrial activity being encouraged, or the revenue available to apply the scheme.

The main financial and fiscal incentives for export include

- Direct and indirect export subsidies,
- Income tax concessions on export profits or earnings,
- Accelerated depreciation allowances to encourage exporters to invest in the latest plant and equipment,
- Duty-free entry of machinery and equipment for use in export-oriented industries,
- Drawback systems (including manufacture-in bond and free zone arrangements),
- Exemption and refund of internal taxes paid by exporters;
- Adjustment of export tariffs.

Although the devices vary, the effects are basically similar. For example, a drawback on import duties whereby the import content of the exported product is not subject to import duties has much the same effect as subsidizing export producers from revenue received from import tariffs. These devices permit the export producer to obtain raw materials and intermediate goods at preferential rates. The same is true of the schemes that involve refunding of internal taxes paid by the producer during the production process if the end product is exported.

### Export credits

Another export incentive utilized by nearly all developed countries is export credit. Suppliers' credits are granted to foreign buyers on a medium term basis (between one and five years from delivery) or on a long-term basis (from five usually up to ten years from delivery). Normally the credits are not financed by the actual supplier, but through a credit institution, generally a commercial bank. The bank in turn may refinance the credits with a special export credit refinancing institution or central bank. In many developed countries, government participation in the refinancing process through the central bank or public credit institutions makes it possible to offer credits at rates below market rates.

The development of export credit financing procedures has been accompanied by the growth of export credit insurance institutions which perform a complementary function. Before finance is granted for a suppliers' credit, the usual practice is for an export credit insurance institution to issue a policy for protection against commercial and non commercial risks. The insurance policy serves as collateral for the credit and its period of validity generally determines the length of the credit.

Buyers' credits are granted directly to foreign buyers by credit institutions or consortia of credit institutions in developed countries. They allow the foreign buyer to acquire funds for purchase of capital goods and services. Governments in the exporting countries guarantee repayment under export credit insurance schemes.

Developing countries are interested in export credits mainly as a form of external financing for their development programmes, rather than as a technique for promoting their own exports. The importance of export credit financing has been increased by the efforts of developed countries to expand exports of capital goods, since the sale of capital goods tends to depend as much on credit terms available as on considerations

of price, quality and delivery, and the growing demand of developing countries for such goods. The volume of export credits has expanded rapidly and the maturity periods have steadily lengthened. As a result export credits have emerged as an important means of assisting in the advancement of developing countries.

Nevertheless, the promotional use of export credits is also of importance to developing countries. If they wish their manufacturers to compete effectively with those in developed countries, they will be forced to provide similar facilities. This is particularly so when the developing country has achieved a stage of industrialization advanced enough to envisage the export of capital goods.

In introducing an export credit financing and insurance system, most developing countries are handicapped by the lack of commercial banking facilities and experience. Consequently, it falls to the Government to take the initiative, possibly through the operations of the central bank, in formulating an export credit policy and in developing the necessary institutional arrangements to implement it.

#### MEETING INTERNATIONAL STANDARDS

Inexperience in developing countries presents a considerable problem not only in the commercial field, but also in export production methods. Manufacturers beginning industrial operations, or existing producers familiar only with the undemanding conditions of a protected domestic market, pay insufficient attention to the standards required on international markets. Products are often of inferior quality, design or packaging or do not conform with international specifications and standards, they consequently fail on export markets.

The Government normally assists exporters to become more aware of the importance of these features. The problem of inferior quality can be approached through a strict programme of quality control introduced at the factory and the port. The object is to ensure that the standards will be acceptable in the importing countries so that the reputation of the sending country will not be damaged by the export of below standard goods. The establishment of a standards bureau or association to provide information on, and promote the use of, international specifications and standards is often an integral part of a national export campaign.<sup>1</sup>

<sup>1</sup> For further discussion of these subjects, see Monograph 12 "Standardization" in this series.

Improving standards of product design and packaging is, to a large extent, a matter of education and of increasing awareness of the export manufacturer that these factors are important. Some countries have introduced annual design and packaging awards; the publicity given to the presentation of the awards leads producers to pay greater attention to these matters. The establishment of a national "design centre" can definitely assist potential exporters. Here, manufacturers can receive training in design techniques and can examine the latest design trends from overseas.

### EXPORT PROMOTION

Government assistance is also required in the area of export marketing and promotion. In developing countries, marketing experience has been restricted for the most part to the export of primary products which require relatively little promotion. The situation is different in developed countries, where considerable experience has been built up in marketing manufactured products and establishing international networks of marketing outlets. To overcome the lack of experience and the limited financial resources of the individual producer in developing countries, the Government of the developing country must undertake marketing functions normally performed by private companies and organizations in developed countries.

Small and medium-sized companies are most in need of help in this area as they normally have inadequate expertise in export marketing operations and have to learn techniques and procedures of documentation, shipping, marketing etc.

In a number of countries, export consortia or established special trading corporations have been successfully organized with government initiative to encourage and co-ordinate the export operations of smaller companies. Such corporations can arrange on a joint basis the marketing and research activities of the member companies and effectively co-ordinate export production operations. Combined research and development, management training and promotion schemes can result in substantial savings for the smaller producer.

The Government may also provide assistance with marketing and promotion. A sound knowledge of overseas market conditions is fundamental to a successful export campaign. To undertake his desk research, the exporter requires data on such aspects as import and exchange controls, tariff and non-tariff restrictions, labelling regulations, shipping

services, prevailing prices, advertising media and distribution outlets. Since the funds for research in the private sector are limited, the Government may establish a bureau to undertake the collection and dissemination of information which will enable the private exporter to assess clearly the prospects offered in overseas markets.

To collect such information, the Governments of developed countries, and a growing number of developing countries, have established a network of commercial representatives in major markets. The functions of the trade commissioner or commercial attaché normally extend beyond the mere collection of economic and marketing data. He must also answer trade enquiries, organize promotional activities in the area and assist visiting businessmen. In brief, he undertakes all the activities that will increase his country's exports to the country in which he is stationed.

Government activity in marketing also extends to the organization of national promotion campaigns. The Government may assist participants in overseas trade fairs and exhibitions, organize country trade displays and store promotions, arrange trade missions, and on occasion launch national advertising campaigns in potential overseas markets. These and other promotional techniques assist the selling efforts of individual exporters and publicize the range of products available for export from a particular country. To undertake these activities, it is often necessary to create a separate institute within the government framework to be responsible for export development.

In some countries, the external promotion campaign is accompanied by a domestic campaign to increase export awareness within the country. By using local communications and advertising media, the Government endeavours to emphasize not only the national importance of exporting but also the opportunities for greater business activity through exports. Such a campaign is often based on case studies which publicize the techniques used and the benefits obtained by companies which have already successfully opened up new export outlets.

## THE INTERNATIONAL SYMPOSIUM ON INDUSTRIAL DEVELOPMENT: ISSUES, DISCUSSION AND RECOMMENDATIONS

The issues presented to the Symposium, the discussion of the issues and the recommendations approved are presented in this chapter. The regional symposia which preceded the Athens Symposium also devoted considerable attention to the importance of promoting exports of manufactured goods from developing countries, and a review of those discussions is given below.

### THE REGIONAL SYMPOSIA

The Asian Conference on Industrialization held in Manila in December 1965,<sup>4</sup> stressed the importance of a constantly increasing volume of exports of manufactures and semi manufactures from the developing ECAFE region and recommended, *inter alia*:

That the opportunities and outlook for trade in manufactured products be fully considered in future industrialization planning;  
That steps be taken to build up export oriented industries at the regional level.

That countries of the region undertake trade promotion measures to provide a fuller knowledge of one another's industrial products and development plans.

The Symposium on Industrial Development in Africa, held in Cairo in the first months of 1966,<sup>5</sup> having recognized the uncertainty of gains in foreign currency because of steady deterioration in terms of trade, fluctuations in prices of basic products, and the gradual or sudden loss of certain traditional outlets, stressed the need to gain access to markets

<sup>4</sup> Report of the Asian Conference on Industrialization, 1966 (E/CN. 12/755/Rev. 1, ID/CONF. 1/R.R. 3).

<sup>5</sup> For full reference see annex 3 under "United Nations Industrial Development Organization".



of developed countries for manufactured goods from African countries. It was recommended that UNCTAD make extra efforts to overcome obstacles to exports of manufactures from the developing countries to the developed ones, and that African countries should strive to attain a high level of quality in their industrial products in order to facilitate exports of manufactures.

The Symposium on Industrial Development in Arab Countries, held in Kuwait in March 1966,<sup>6</sup> recognized the particular importance of the volume of commercial and technical exchanges among the Arab countries in support of the common effort through which it was hoped to realize industrial development, not only in the establishment of import-substitute industries but also in the establishment of absolutely necessary export industries. United Nations assistance was urged in preparation of the necessary studies and in creating the apparatus needed for expanding commercial transactions in exportable industrial goods and for expanding commercial transactions among the Arab States and the industrially developed countries.

The Symposium on Industrial Development in Latin America, held in Santiago in March 1966,<sup>7</sup> discussed in detail all problems relating to exports of manufactures from that region to the rest of the world. The Symposium proposed that an "ad hoc working group be established for industrial sectors, to include representatives of both the developed and developing countries, with the aim of determining the future trends of trade in manufactures and possibilities that could be created, by appropriate measures, of developing exports of those products of the developing countries whose competitive advantage and market possibilities justified their being given priority."<sup>8</sup>

#### THE ISSUES PRESENTED TO THE INTERNATIONAL SYMPOSIUM<sup>9</sup>

##### Identification and programming of industrial sectors with export potential

The identification and programming of industrial sectors with export potential relate, firstly, to the possibilities of advanced processing of locally available raw materials; to the conversion of industries to an

<sup>6</sup> Report of the Symposium on Industrial Development in Arab Countries, 1967 (ID/CONF. 1/R.R. 4).

<sup>7</sup> Report of the Symposium on Industrial Development in Latin America, 1966 (E/CN. 12/755/Rev. 1, ID/CONF. 1/R.R. 3).

<sup>8</sup> *Ibid.*, para. 295.

<sup>9</sup> From UNIDO, *Issues for Discussion: Promotion of Exports, 1967* (ID/CONF. 1/A. 22)(mimeo.).

export orientation; and to the utilization of excess capacity, if necessary using marginal cost rather than total cost pricing.

The second stage is the establishment of industries primarily for exporting. This involves planning at several levels; emphasis on export-oriented industries in development plans; promotion of such industries through provision of the required infrastructure; and redirection of resources (e.g. power, equipment, transportation, foreign exchange). There is also need for industrial research facilities and for importation of equipment and know-how from abroad.

#### **Development of basically export-oriented competitive industries**

In the case of import substitution, which is mainly based on the production of familiar products by familiar techniques, it is easy to protect non-competitive industries with an umbrella of import restrictions, although it is doubtful whether such practices—with due consideration to the infant industry argument—are in the long run beneficial to the countries concerned. In the case of export-oriented industries, such practices are clearly inapplicable. Export-oriented industries involve production under competitive conditions, under constant pressure to reduce production costs and improve the quality of their products. It is true that to reach the stage of competitively exporting manufactured goods some initial protection may be required. Other forms of government assistance will be required at the various stages of the development of the industry before it can become competitive in regional or world markets.

At first, both the equipment and the know-how will have to be obtained from the developed countries. This could be available on various terms and gives rise to the problem of how the strains on the balance of payments of developing countries from increased purchases of equipment and know-how could be eased in the short run. Exploration to determine the most desirable form of industrial co-operation between developing and industrialized countries in this area is needed. Of particular interest are problems relating to the training of technical and managerial personnel, the establishment of joint ventures, the possibilities of subcontracting, methods of repayment of credits etc.

#### **Commercial promotion of industrial exports**

In practically all developing countries there is need to simplify the procedures for exporting; to set up export credit and insurance schemes; to offer appropriate incentives for exports; to assist manufacturers in obtaining information on the requirements in foreign markets with regard

to quality, design and packaging; and to develop and enhance the "image" of the countries' exports through commercial publicity, trade fairs etc. The practical procedures for implementing these efforts through national and international action are proposed for discussion in this connexion.

**Pooling of resources and markets for development of export-oriented industries at the regional and interregional level**

Production of standardized high-quality products of competitive cost requires large-scale modern installations which the generally small domestic markets do not justify. Economic co-operation among developing countries through bilateral and multilateral arrangements or regional and subregional trade groupings have therefore been suggested in order to achieve a pooling of both markets and investment resources.

In practice, this means harmonization and co-ordination of development plans at a regional or subregional level with a view to developing joint industrial activities. It also involves co-operation in industrial research and trade promotion through the establishment of joint facilities. Although in some regions steps in these directions have been successfully taken, many opportunities for regional co-operation have not yet been fully exploited. Co-operation between developing countries beyond the confines of regions or sub-regions might also be usefully considered. The possibilities in this respect, including the specific fields of co-operation, have up to now been little explored and deserve systematic investigation.

### THE DISCUSSION<sup>10</sup>

The importance of the export-orientation of industrial development in developing countries was illustrated by the fact that the share of the developing countries in world exports had decreased from 32 per cent in 1950 to 19.4 per cent in 1966. At the same time their percentage share in the world exports of manufactures was also declining while the total world exports in manufactures achieved a considerable increase during the period from 1953 to 1965. This trend, which is so disappointing for the developing countries, has been an issue of main concern at several international meetings during recent years. The situation was further aggravated by the fact that the sum total of economic assistance, an important factor in meeting trade deficits, had not increased in recent years.

<sup>10</sup> *Report of the International Symposium on Industrial Development, Athens 1967 (ID/11) (United Nations publication, Sales No. : 69.II.B.7).*

The importance of trade for the developing countries was generally recognized. However, it was felt that the existing export capacities, based mainly on exports of primary products, could hardly be expected to grow sufficiently to cover the need for capital imports and to service foreign debts at the same time. Additional productive capacities were therefore required which must be geared to exports of manufactures or at least of higher processed raw materials.

The view was expressed that there was not sufficient experience in the developing countries for embarking on the production of manufactures for exports in the initial stage of industrialization. The developing countries should therefore pursue a policy of import substitution which has the virtue of saving foreign exchange and would at the same time give them the opportunity to gain the necessary skills and experience in production and marketing. This would secure a higher probability of success in entering the highly competitive world markets as the goods produced might already have achieved a higher degree of competitiveness in respect of price and quality.

Contrary to that point of view, the opinion was expressed that an export industry, if it was to be successful on the world market, had to make use of the advantages of economies of scale. For this the domestic markets of most of the developing countries were too small. The pooling of resources of a group of developing countries was therefore felt to be a pre-condition for the success of the establishment of export-oriented industries. This would automatically require giving up the idea of self-sufficiency in the development plan of each individual developing country and replacing it by the idea of economic interdependence between countries or groups of countries.

The observation was made that the setting up of export industries was conditioned not merely by the size of plants but equally by the fact that they offered clear advantages from the point of view of cost and price, either because labour and energy were cheaper or because of potential savings in transportation or because of an abundance of raw materials.

It was pointed out that small countries, by definition, suffer from a lack of natural resources and that special measures should be taken in order to create export-oriented industries, which were indispensable for long-run economic survival.

The view was expressed that one of the essential prerequisites for the promotion of exports of manufactures from developing countries was the removal of non-tariff barriers and a substantial reduction of tariff

barriers. Some were of the opinion that tariff barriers were not insurmountable obstacles to the successful promotion of exports of manufactures from developing countries. However, it was generally recognized that the International Symposium on Industrial Development was not the place to deal with tariff problems since this was one of the main items on the agenda of the second United Nations Conference on Trade and Development. It was nevertheless felt by some delegations that, because of the overwhelming importance of this issue, and particularly of a non-reciprocal system of preferences, the Symposium should endorse the views asking for a prompt and positive solution of this problem in favour of developing countries.

Although a substantial reduction of import restrictions in developed countries might improve the position of the developing countries, it was also considered essential that a number of measures be taken by the developing countries themselves if their exports of manufactures were to be significantly increased. It was pointed out that the markets of developed countries are very demanding and therefore that considerable efforts would have to be made on the part of the developing countries to take into account the market requirements concerning design, quality, standards, delivery dates, consumer habits, fashion trends, distribution systems etc.

Market research, analysis and studies were considered as essential for mass production. Although these activities were very costly, they were indispensable wherever export production was concerned and if it was to be based on a systematic marketing approach in order to avoid miscalculations and losses. It was generally recognized that, in this respect, valuable services were provided to the developing countries by the International Trade Centre of GATT, which from the next year would be operated on a joint basis by UNCTAD and GATT. This was noted with satisfaction.

#### RECOMMENDATIONS APPROVED<sup>11</sup>

The Symposium adopted the following recommendations:

Developing countries should:

- (a) Investigate the possibility of harmonizing and co-ordinating as far as possible the export-oriented industries in order to achieve

<sup>11</sup> From *Report of the International Symposium on Industrial Development, Athens 1967* (ID/11) (United Nations publication, Sales No.: 69.II.B.7).

a pooling of the markets and available investment resources through bilateral or multilateral arrangements, bearing in mind the necessity of economic interdependence between countries and regions.

- (b) Encourage the establishment of national export promotion councils acting as advisory service, clearing-houses for contacts etc which would assist their potential exporters;
- (c) Attempt the setting up of complementary industries (the output of one being the input for the other) which may be of particular interest where necessary prerequisites exist in two or more countries in the region

UNIDO, with UNCTAD and GATT, and within the framework of the United Nations export promotion programme, should provide technical assistance aimed at establishing export-oriented industries in developing countries and at promoting industrial exports from developing countries. UNIDO's assistance should be especially provided in the following areas:

- (a) In identifying viable export industries, in setting up such industries and dealing with general and technical aspects connected therewith, complementary to the activities of other international organizations and in co-operation with them;
- (b) Studying the problems relating to the standardization, presentation and packaging of products;
- (c) Co-operating in studies of the evolution of supply and demand of industrial products on international markets.

UNIDO should assist developing countries in finding potential investors for bankable projects submitted by Governments.

## UNIDO AND OTHER UNITED NATIONS ACTION IN EXPORT PROMOTION<sup>12</sup>

This chapter outlines the role of UNIDO in the field of export development and briefly the operation of the over all United Nations export promotion programme.

Within the programme of UNIDO for the acceleration of industrial development in developing countries, particular emphasis is given to the establishment and development of export-oriented industries. The importance of the export component stems from the necessity of improving the balance-of-payments position in developing countries to allow further industrialization. At the same time, export industries which require manufacturers to meet international standards lead to an accelerated introduction of advanced managerial and technical methods. Also, export orientation helps to introduce in the industrial sector as a whole a higher standard of efficiency, which in turn allows a lower level of protection.

Work in this area is directed towards identifying industries with definite export potential, advising Governments on export development policy measures, and raising standards of export efficiency in companies in developing countries. To these ends, priority is given to assistance in the field through operational activities. The supporting activities undertaken are in the main designed to strengthen the operational activities and to ensure that assistance is channelled into those areas where it can achieve a maximum effect.

Operational activities are undertaken on a pragmatic basis and in conjunction with UNIDO's long-range technical assistance programme, which is formulated on a country-by-country basis. In this latter approach advisory missions from UNIDO visit developing countries to examine over-all industrial policies and planning, including the export development measures, and at the same time advise on specific export

<sup>12</sup> Much of the material in this chapter is taken from United Nations Export Promotion Efforts, 1969 (E/4714).

problems at the government or industry level. In framing its programme of operational activities, UNIDO also takes into account its participation in the United Nations efforts for accelerated industrialization during the Second Development Decade.

The main concern of UNIDO in the export sphere is with the production of "supply" factors. Fundamental to this approach is the identification of new industrial sectors and the expansion of established sectors in developing countries with definite export potential. In selecting these sectors, UNIDO analyses the productive capabilities of developing countries against the existing market opportunities and market development

The results of the analysis, which involves close co-operation with other United Nations agencies, are transmitted to developing countries where possibilities exist in order to allow a systematic development of the export sector with UNIDO assistance. Where preliminary feasibility studies indicate favourable conditions for expanded exports, UNIDO can, upon request, give on the spot assistance in the establishment and development of the industries identified.

Recognizing the export potential for developing countries through industrial co-operation agreements with partners in developed countries, UNIDO is investigating the export performance and problems of these ventures with a view to promoting such agreements. Promotional activities involve both centrally planned economies and developed market economies; emphasis is given to industrial co-operation which will make a positive contribution to the balance of payments of the developing countries. Specifically, assistance is oriented towards identifying the sectors for industrial co-operation and sources of external capital and know-how, and towards establishing guidelines for negotiation with overseas partners, with the eventual aim of establishing viable export oriented industries.

Special consideration is given to co-operation through international subcontracting as a means to expanding exports from developing countries. Data are collected on the type of process and the products which can be profitably subcontracted to producers in developing countries. This information is used to publicize the benefits and criteria associated with international subcontracting, to pinpoint specific opportunities for this form of activity, and to promote further ventures of this nature in developing countries.

One group of industries that receives particular attention from UNIDO is the metalworking industries; an appropriate methodology is being developed for planning this sector with a view to its export potential.



When the methodology has been established the next step will be to collect technical data to be used as a planning tool for this sector in a specific country and to initiate technical assistance activities based on this approach. Following a study of the applicability of the data to differing economic environments, the scope of this work will be widened to other countries.

Another important activity in UNIDO's programme is concerned with government policies and measures, both internal and external, framed to create a favourable environment for and to facilitate the accelerated growth of the industrial export sector. This project also includes consideration of UNIDO's technical assistance to Governments in their efforts to formulate incentives and to establish institutions to promote export development.

At an early stage in its consideration of export incentives, UNIDO in co-operation with UNCTAD, organized a review and examination of the devices used by various countries to stimulate industrial exports. Further action proposed in this area includes a study of free ports and free zones as incentives to promote export-oriented industries. In this case the aim is to investigate what impact the free zones have on the economy of the countries, particularly on their balance of payments, and to determine guidelines for developing countries which are considering the establishment of a free zone or a similar arrangement. The guidelines will cover such aspects as the selection of suitable industries based on export markets, export incentives to operate within the zone, and transport requirements.

With regard to export institutions, UNIDO advises developing countries on measures to strengthen and achieve the most effective operation from their particular institutional framework, given the financial limitations and particular conditions prevailing. Special consideration is given to assisting developing countries in their efforts to secure export markets through increased attention to export quality requirements and international standards.

In addition to assisting at the government level, UNIDO carries out projects designed to assist manufacturers in developing countries to expand export sales of their products. Stress is placed on advising on special production requirements associated with successful exporting and on the full utilization of resources to allow manufacturers from developing countries to compete effectively in international markets.

Producers in developing countries are often hindered in their export efforts through insufficient attention to quality control, design, application

of international standards, product improvement, packaging and costing. To create a greater awareness of the importance of these features, UNIDO includes in its training programme a special section on export production techniques. The emphasis is on practical training which offers executives from developing countries an insight into the organization and operation of a successful exporting company.

UNIDO is also assisting manufacturers in developing countries in tackling problems of excess capacity. Work in this sphere is directed to increasing the utilization of existing manufacturing capacity, particularly for export production, and to the means by which the emergence of excess capacity can be avoided in the future.

Throughout the UNIDO work programme in the export development area, orientation is towards providing operational assistance within the developing countries. The analysis undertaken and the meetings organized by headquarters staff normally have the improvement of technical assistance activities as an ultimate aim.

In order to ensure that developing countries are fully aware of the assistance UNIDO can offer in the field of export development, the Organization, in co-operation with other United Nations agencies, organizes exploratory missions to selected developing countries. The missions have the responsibility of informing the authorities of the countries visited on the type and amount of technical assistance which the sponsoring United Nations organizations are in a position to provide. They also explore the problems of export production and the promotion of exports of manufactured and semi-manufactured goods. As a result of these investigations, the missions are able to identify and discuss on the spot the additional technical assistance the United Nations might offer in order to remedy these problems.

The programme of UNIDO for the promotion of export-oriented industries is financed under various United Nations operational programmes in which UNIDO participates. These programmes are: the Regular Programme of technical assistance devoted to industry and financed from the United Nations budget; the Special Fund component of the United Nations Development Programme (UNDP/SF); and the Technical Assistance component of the United Nations Development Programme (UNDP/TA). UNIDO receives, in addition, voluntary contributions from Governments for the financing of the Special Industrial Services programme (SIS), a programme limited largely to urgent short-term missions. Some projects may also be financed from funds in trust,

deposited by Governments for specific projects or other direct voluntary contributions. In all these programmes assistance is given only at the request of the Government concerned.

### The United Nations export promotion programme

The UNIDO programme of work in the export development field is part of the overall United Nations export promotion programme. The decision to combine the activities and resources of the United Nations in a programme for the promotion of exports from developing countries resulted from a meeting of the executive secretaries of the United Nations regional economic commissions held in January 1967 under the chairmanship of the Under Secretary General for Economic and Social Affairs. The meeting was convened to review with the Executive Director of UNIDO and the Secretary General of UNCTAD co-operative policies and arrangements in the field of industrial development. The representative of the UNDP welcomed the initiative to organize a joint United Nations programme in the field of export development.

The programme was further discussed at a meeting of the executive secretaries of the regional economic commissions in July 1967 in which representatives of FAO and GATT participated. In January 1968 the International Trade Centre was established, combining the resources of UNCTAD and GATT as a further stage in the United Nations export promotion programme, and in July of that year, at a meeting of the executive secretaries of the regional economic commissions in Geneva, ILO became a participant.

During the first years of the joint programme, the various agencies examined means by which their joint efforts in the export development sphere could be of maximum assistance to the developing countries. A number of co-operative ventures have been implemented with a view to determining the exact form of assistance required and to clarify a kind of co-operation best designed to meet the export requirements of developing countries.

The programme of work falls into two parts: first, assistance in production adjustments and changes to stimulate exports and second, export promotion information and marketing services. In both cases, the United Nations organizations involved offer assistance at the regional and global levels. The following is a brief outline, with selected examples, of the type of activities being undertaken within the framework of this programme.

### PRODUCTION ADJUSTMENTS AND CHANGES TO STIMULATE EXPORTS

Basically, the work is directed towards expanding the traditional exports from developing countries and, at the same time, diversifying export output into non-traditional products. The United Nations is actively endeavouring to raise the export performance in foodstuffs and raw materials, the traditional export industries of developing countries, by improving the competitiveness of these industries. Higher standards of productivity, marketing efficiency, quality control, standardization, servicing etc. are being introduced with United Nations assistance as a means to increase the level of exports.

Of particular importance to the food industries, for example, is the work being undertaken by FAO and WHO to further acceptance of international food standards. This has already proved of considerable assistance to exports of these products from developing countries. Experience has shown that such standards provide an incentive for exporting countries to improve the quality of their products, which in turn results in higher financial returns to the producer. The introduction of international food standards also creates a greater awareness of the importance of quality control in developing countries, which benefits not only traditional but also non-traditional exporting industries.

FAO has been active in other areas relating to expanding traditional exports, often in co-operation with the UNDP. One example of the various projects being undertaken jointly is a food processing plant being established with UNDP and FAO assistance in China (Taiwan), which will investigate and promote techniques for improved preservation and processing of food for the export market as well as the domestic market. Other examples include the UNDP/FAO project in Turkey offering technical advice on drying, storage and packaging in the sultana industry aimed at strengthening the position of Turkey as an exporter of that crop; the assistance given to Chile by these organizations in the development of its forest resources; and the establishment of an export-oriented pulp and paper industry.

Accelerated industrialization and the further processing of primary products have encouraged developing countries to pay increased attention to possible export markets for newly established manufacturing and processing industries. Consequently, parallel with the efforts to expand traditional exports is the encouragement of non-traditional exports, especially manufactures and semi-manufactures.

Through a number of channels the United Nations assists developing

countries in diversifying their export output. The UNDP, for example, has provided extensive aid for petroleum exploration, production and marketing, while the regional economic commissions, in co-operation with international agencies, have undertaken economic surveys of member countries with a view to identifying manufacturing industries with promising export prospects. Through its publication programme the International Trade Centre advises both on export development techniques and on specific overseas market opportunities. UNIDO, for its part, is providing on-the-spot assistance to countries developing industrial sectors based on export markets, such as the textile industry in Kenya and the heavy mineral sands industry in the United Arab Republic.

In addition to identifying new export-oriented industries, United Nations bodies are engaged in orienting existing industries towards international markets and creating in producers a greater awareness of export requirements. In some 28 countries, ILO projects of technical co-operation aim, *inter alia*, at improving the appearance and quality of products manufactured from local raw materials, usually with traditional skills, with the eventual objective of opening up or expanding export markets. Under these projects ILO provides training and advice on the design, development, production and marketing of indigenous products, particularly craft industries. This assistance has stimulated increased export growth in such countries as Jamaica, New Guinea, Papua and Syria.

In its efforts to assist potential export manufacturers, the United Nations pays special attention to small-scale industries. These industries suffer from a particular export disadvantage in view of their limited resources and often their restricted experience. Various forms of assistance are therefore directed especially at small-scale industries in order to facilitate the export of their products. For example, UNIDO is examining a policy whereby small-scale producers in developing countries would manufacture special products under agreement with associations in developed countries.

#### EXPORT PROMOTION INFORMATION AND MARKETING SERVICES

Turning to another aspect of the United Nations export promotion programme, the provision of export promotion information and marketing services, a major step in the integration and co-ordination of these services was the establishment of the International Trade Centre. The aim of the

International Trade Centre is to assist the developing countries in the promotion of their export trade by:

- Providing them with information on export markets and marketing;
- Assisting them to develop the export promotion and marketing organizations and services;
- Helping them to train the specialized personnel required for these services.

The assistance of the International Trade Centre to developing countries is, at present, channelled through four main services:

- Market Information Service;
- Publication Service;
- Training Programme;
- Promotion Advisory Service.

The Centre is concerned mainly with the demand side of export promotion and the means of exploiting export market opportunities.

At the regional level, it has been agreed that each of the United Nations regional economic commissions in the developing parts of the world should be a centre of initiative for the United Nations export promotion programme. For this purpose, it has been recommended that regional trade centres be established in the ECAFE, ECLA and ECA regions to be operated under the respective executive secretaries of the economic commissions. The ECAFE Trade Promotion Centre was established in 1968 and similar centres are in the planning stage in ECLA and ECA.

An important part of the United Nations export promotion effort is devoted to assistance in the establishment and/or support of national administrative machinery for export promotion in developing countries and the creation of export promotion bodies for individual products or groups of products both at the national and the international level. These efforts are carried out at the regional level through the regional economic commissions.

One of the main activities of the International Trade Centre is to establish trade promotion services in developing countries. This is carried out under two programmes: the Publication Service and the Trade Promotion Service. The International Trade Centre does a considerable amount of research related to export marketing methods and techniques, ancillary export services, governmental export promotion methods etc.

Through its Publication Programme, the Centre makes the results of this research available to public and private institutions involved in various activities connected with the promotion of exports. In addition to its regular publication, *International Trade Forum*, and its intermediate quarterly supplement, the International Trade Centre publishes a series of handbooks on trade promotion techniques, for example, *Foreign Trade Enterprises in East Europe* (1968); *Foreign Trade Enterprises in Yugoslavia* (1968); and *Export Promotion Systems—A Systematic Approach*.<sup>13</sup>

Upon request from developing countries, the International Trade Centre, through its Trade Promotion Advisory Service, also provides advisers and experts for the establishment or improvement of export promotion programmes, institutions and services. This Service includes assistance in dealing with questions relating to national export promotion bodies and infrastructural export promotion services as well as with special problems relating to export marketing of products.

### **Market surveys and market promotion**

The developing countries are seriously handicapped in their efforts to develop overseas markets by the lack of resources and know-how to carry out essential market research for their products. The United Nations has established machinery to offset this difficulty. The International Trade Centre, situated in Geneva, undertakes market research studies in developed country markets for the products of developing countries; while the regional economic commissions explore market prospects in the countries of their respective regions for products of their member countries.

The special Market Information Service of the International Trade Centre provides trade and market data in response to queries from individual developing countries concerning products and markets of interest to them. The market reports prepared by the International Trade Centre deal with items ranging from primary commodities to processed products and manufactured goods. They cover such facets as:

Assessment of market potential in importing countries;

Impact of commercial policy measures on trade;

---

<sup>13</sup> In preparation.

- Health regulations and other administrative rules affecting trade;
- Marketing channels;
- Marketing and promotional techniques;
- Price trends;
- Distribution costs.

Major market surveys are undertaken on certain products that are of wide interest for the present or potential export trade of a number of developing countries. The International Trade Centre has published major market surveys on manioc; cashew; fresh fruit and vegetables; leather, hides and skins; unmanufactured tobacco; shrimp and prawns; rice; cottonseed oil; canned beef; tropical sawn wood; plywood and veneer; citrus juices; oilcake. Studies are being prepared on fresh tropical fruits and vegetables, leather products, spices, household appliances, table wines, soluble coffee, selected engineering products and oriental carpets.

UNIDO and FAO are concerned with assisting developing countries in improving their export marketing arrangements. At UNIDO, the Industrial Information Service provides developing countries with information on export possibilities. Assistance in marketing and promotional fields is also included in UNIDO's technical assistance programmes. Such assistance is sometimes rendered in co-operation with the International Trade Centre as was the case in the mission of four marketing experts which went to Argentina to assist in the promotion of exports of manufactured goods, machine tools, agricultural machinery and processed hides.

Through its technical assistance programmes, FAO also devotes considerable attention to marketing assignments. FAO has regional marketing officers in Africa, the Middle East and the Far East. These officers are concerned *inter alia* with the formulation of programmes and projects for assistance in the field of export marketing improvements, the promotion of exports to countries within their regions as well as to developed countries, and the establishment of agricultural processing industries partly oriented towards exports.

United Nations bodies are also endeavouring to expand and increase the effectiveness of export promotion activities of developing countries. Information on trade opportunities and promotional techniques is disseminated through a series of United Nations publications. At the regional level, these include contributions to the Economic Bulletin for Latin America by the Trade Policy Division of ECLA and the Foreign Trade



News Letter published by ECA. The International Trade Centre is in the process of preparing handbooks concerning export promotion, for example *Handbook for Official Commercial Representatives Abroad* and *Information on Trade Regulations, A Guide to Sources*.

Another function undertaken by the United Nations in this field is the sponsorship and assistance given by the ECAFE Trade Promotion Centre to the triennial Asian International Trade Fairs which are held in the capital cities of member countries. The first Asian International Trade Fair was held in Bangkok in 1966 and the second in Tehran in 1969. These are primarily business fairs but they also provide opportunities for trade talks designed to promote international as well as intra-regional trade.

#### **Training of specialized staff**

To further strengthen export promotion activities in developing countries, an extensive programme is being implemented to train the specialized staff required for these activities. This training programme is being carried out through the organization of meetings, seminars and training courses and involves a considerable degree of co-operation between the United Nations organizations concerned.

Each of the regional economic commissions participates in the training programme. The regional training courses are often undertaken in co-operation with international agencies as in the case of the training course in Bangkok in 1968, organized by the ECAFE Centre in close co-operation with the United Nations Office of Technical Co-operation and the secretariats of UNCTAD, GATT and EEC for the study of tariff and non-tariff structures and techniques of trade. A total of 25 participants from 16 member countries enrolled for this course, which covered a variety of subjects ranging from the principles of reciprocity to the various techniques of trade negotiations and agreements.

The training programme organized by the International Trade Centre covers a range of projects adapted to the needs of developing countries. The programme is often designed to provide specialized training for export promotion personnel from developing countries, for example, the seminars organized for trade commissioners of developing countries based in Europe. On the other hand, the courses may be specialized in terms of their content, for instance, the course on export banking held in Italy with the assistance of the International Trade Centre. In co-operation

with the ILO and UNIDO, training programmes were also arranged in export marketing and the development of industrial exports.

Courses and seminars are often organized in developed countries which are the target markets for exporters in developing countries. This permits the trainees to be exposed to market conditions in prospective markets. The International Trade Centre has already operated several types of training courses, seminars and studies in developed countries (Denmark, the Federal Republic of Germany, Italy, Sweden etc.). Regional training courses are also organized in individual developing countries which makes it possible to cater for a large number of participants both from public and private sectors. An example of this training technique is the roving seminar, organized and conducted by the International Trade Centre in co-operation with ECLA and the Central American Common Market (CACM) in the autumn of 1969, in four Latin American countries.

As mentioned earlier, UNIDO also conducts training in export development, and considerable help has been offered to developing countries by the UNDP in the strengthening of export promotion services. UNDP-assisted economic development and planning institutes in Africa, Asia and Latin America are offering instructional and advisory services in a wide range of fields, including foreign trade, external finance and over-all development planning. The FAO arranges training programmes largely oriented towards the marketing of agricultural products from developing countries.

The general training programme of UNIDO should also be noted. This programme includes a substantial in-plant component and aims at raising standards of efficiency and management in industrial concerns in developing countries. Although in many cases these courses are not directly aimed at export industries, they tend to increase the export potential of developing countries by raising the level of competitiveness of their manufacturers.

### **Export credit**

Among the other programmes facilitating exports from developing countries, the work carried out by the Department of Economic and Social Affairs of the United Nations Secretariat in the field of export credit insurance and export credit financing facilities should be mentioned. The Department has surveyed the operation of export credit insurance and financing facilities in both developed and developing countries and

has organized a Round Table to consider this problem, attended by senior officials of export credit agencies operating in a number of countries and representatives from international agencies.

Resulting from the Round Table, further work in this field is aimed at the establishment of multinational export credit insurance schemes at the subregional, regional or global level. Another aspect to be covered is the possibility of establishing an association of national export credit financing institutions in developed and developing countries and the extent to which export credits from developing countries could be financed or refinanced by private and public sources in developed countries or international financing institutions.

#### REGIONAL INTEGRATION AND CO-OPERATION

Finally, attention should be drawn to the work being carried out by the United Nations to promote regional integration and co-operation as a means to expand exports from developing countries. This work is undertaken at two levels: the co-ordination of production in selected industrial sectors and the expansion of intra-regional trade through greater market studies at a regional level and trade liberalization measures.

The regional economic commissions are naturally closely involved in projects to further regional co-operation. ECAFE has been effective, for instance, in bringing together relevant government officials from member countries to accelerate the pace of economic co-operation. This organization also took the initiative in the organization of the Asian Coconut Community, which, it is hoped, will be the forerunner of similar co-operative endeavours for such products as rubber, rice, tea, pepper and shellac.

At the same time, the Trade Policy Division of the Economic Commission for Latin America (ECLA) is working on integration programmes and activities in relation to the Latin American Free Trade Association (ALALC), the Central American Common Market and the integration efforts of the Caribbean countries (CARIFTA). The secretariat of the Economic Commission for Africa (ECA), for its part, has produced a number of proposals for trade expansion within the Eastern and Western African subregions. These studies will form the starting point for some of the future work on trade promotion in these subregions.

The international agencies, notably the UNDP, have also been active in a number of regional projects aimed at increasing intra-regional

trade. In Africa, for instance, the UNDP is making a preliminary study on a north/south road across the Sahara Desert in Algeria with a view to increasing trade between Algeria, Mali, Niger and Tunis. In Asia, the same organization is providing assistance to the Regional Transport Technical Bureau on the Asian highway which will ultimately, among other things, stimulate further trade in the region extending from Iran to Singapore. In the Americas, assistance has been given by the UNDP to the Research Institute for Industry, which is playing a key role in the expansion of Central American trade on a regional basis.

## Annex 1

### UNIDO ASSISTANCE IN THE PROMOTION OF EXPORT-ORIENTED INDUSTRIES

#### A. AREAS RELATING TO THE PROMOTION OF EXPORT-ORIENTED INDUSTRIES IN WHICH UNIDO IS IN A POSITION TO PROVIDE TECHNICAL ASSISTANCE

##### (1) *Policy level*

- Industrial export promotion policy at national level.
- Increase of export potential of a country.
- Identification of adequate conditions for increase of industrial export:
- Establishment, enlargement or operation of an institutional framework for industrial export promotion.
- Regional industrial export programmes

##### (2) *Plant level*

- Evaluation of export possibilities;
- Improvement of export conditions;
- Re-orientation for export;
- Specific techniques for export improvement within the industry;
- Identification of new industries and/or products for export;
- Problems of utilization of excess or idle capacity for export.

#### B. SELECTED MAJOR TECHNICAL ASSISTANCE PROJECTS

The projects listed below relate to the activities of the United Nations Industrial Development Organization since its establishment in 1967. The list excludes projects carried out under the predecessor organizations of UNIDO (the former Division of Industrial Development up to 1962 and the Centre for Industrial Development up to 1967). Since the projects are listed for illustrative purposes, the names of countries have been omitted. The respective programmes under which the projects are implemented are shown as:

<b>SIS</b>	Special Industrial Services of UNIDO
<b>UNDP/TA</b>	United Nations Development Programme, Technical Assistance Component
<b>UNDP/SF</b>	United Nations Development Programme, Special Fund Component
<b>RP</b>	Regular Programme

(1) *Projects implemented or under implementation by UNIDO in areas related to the development of export industries*

#### AFRICA

Centre for industrial studies (export marketing) (UNDP/SF)  
Regional industrial integration (SIS)  
Export textile marketing (SIS)  
Export marketing in minerals (SIS)

#### THE AMERICAS

Export promotion mission (UNDP/TA)  
Assistant to export promotion institutes (UNDP/TA)  
Industrial adviser in market organization for export (SIS)

#### ASIA AND THE FAR EAST

Marketing electrical appliances (SIS)  
Export packaging (SIS)  
Marketing agric-machinery (SIS)  
Metalworking industries for export (SIS)  
Expertise in industrial marketing (UNDP/TA)  
Industrial export promotion adviser (UNDP/SF)  
Industrial export marketing specialist (SIS)

#### EUROPE AND THE MIDDLE EAST

Development of integrated fish industries for export (SIS)

- (2) *Projects in preparation or under discussion with Governments in areas related to the development of export industries*

## AFRICA

- Study of export potential of chemical plants (SIS)
- Investigation and evaluation of possibilities of establishment of export-oriented industries (free zones) (SIS)
- Development of export potential (RP)
- Marketing and export promotion of industrial products (SIS)

## THE AMERICAS

- Export investigation of industries established in preferential zone (RP)
- Export marketing of light industries (UNDP/SF)
- Export marketing and study of export capacity of petrochemical industries (SIS)
- Evaluation and re-orientation of metalworking industries (SIS)
- Steel products marketing (SIS)
- Centre of promotion of industrial exports (RP)
- Increase of export potential of food processing industries (RP)
- Industrial capacity utilization for exports (RP)

## ASIA AND THE FAR EAST

- Export organization of industry and marketing (SIS)
- Export organization of industry and marketing in light industries (SIS)
- Export industries establishment in free zones (RP)
- Export re-organization of pharmaceutical industries (RP)
- Export development bureau for industrial products (RP)
- Product improvement for export (SIS)
- Export promotion and export incentive scheme for industrial products (SIS)

## EUROPE AND THE MIDDLE EAST

- Export orientation and government incentives for light industries (RP)
- Increase of export potential of furniture industries (UNDP/SF)
- Increase of export potential of engineering industries (UNDP/SF)

**Annex 2**

**MEETINGS, TRAINING SEMINARS AND WORKING GROUPS  
ORGANIZED BY UNIDO OR BY THE UNITED NATIONS PRIOR  
TO THE INCEPTION OF UNIDO**

	<i>Location</i>	<i>Date</i>
Expert Meeting on Government Policies for the Promotion of Exports of Manufactures and Semi-Manufactures from Developing Countries	Geneva	October 1966
Expert Meeting on Government Policies for the Promotion of Export of Manufactures and Semi-Manufactures from Developing Countries (UNIDO/UNCTAD)	New York	June 1967
Training Course for Development of Industrial Exports	Zagreb	October— November 1968
Expert Working Group Meeting on the Incentives for the Development of Industrial Exports	Rome	November 1968
Expert Group Meeting on Utilization of Excess Capacity for Export	Rio de Janeiro	March 1969
Working Group on Metalworking Industries as Potential Export Industries in Developing Countries	Vienna	<i>Proposed date</i> December 1969
Working Group on Industrial Co-operation between Developed and Developing Countries as a Means to Promote Exports of Manufactures from Developing Countries		1970
In-plant Training Course in Techniques of Production for Exports		1970
Series of Training Courses in Techniques of Production for Exports		1971



### Annex 3

## SELECTED LIST OF DOCUMENTS AND PUBLICATIONS ON EXPORT-ORIENTED INDUSTRIES<sup>1</sup>

### UNITED NATIONS

United Nations Export Promotion Efforts, 1969 (E/4714) (mimeo.).

### UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

*Industrial Development in Africa* (ID/CONF. 1/R.B.P.1) (Sales No. : 66.II.B.24).

Development of Export-Oriented Industries. Progress report on steps taken by developing countries to develop and establish export-oriented industries, 1967 (ID/B/8) (mimeo.).

Survey of Export Promotion Techniques, 1967 (ID/CONF. 1/13) (mimeo.).

The Need for an Export-Oriented Pattern of Industrialization 1967 (ID/CONF. 1/56) (mimeo.).

Export Marketing Organizations, 1967 (ID/CONF. 1/B. 24) (mimeo.).

Utilization of Excess Capacity for Export. Report of the Expert Group Meeting on Excess Capacity, held in Rio de Janeiro from 3 to 12 March 1969 (ID/38) (mimeo.).

### OTHER SOURCES

Bryce, M. D., *Policies and Methods for Industrial Development*, McGraw-Hill, New York, 1965.

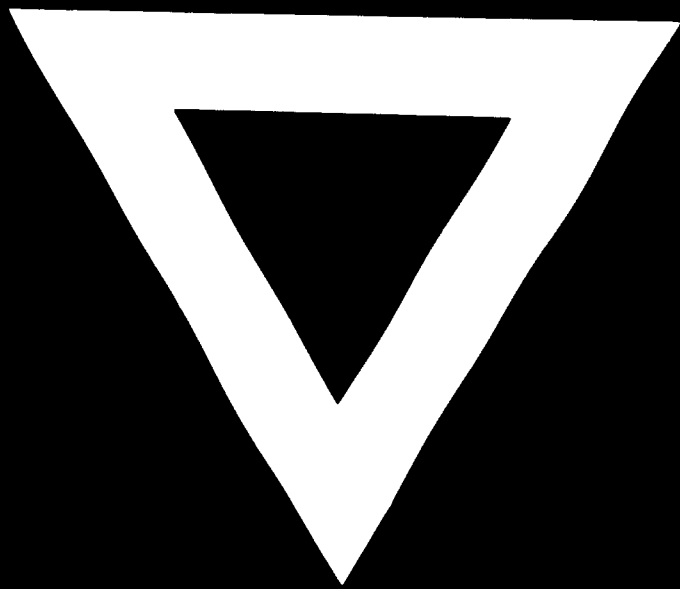
De Vries, B. A., "Importance of Size for the Orientation of Economic Policy in Fiscal and Monetary Problems in Developing States", in *Proceedings of the Third Rehovoth Conference*, Praeger, New York, 1967.

Fondation allemande pour les pays en voie de développement, *Rapport sur le séminaire "La promotion des exportations dans les pays en voie de développement"*, 4 au 27 octobre 1967, Bonn (DOK 347 S 9/67).

<sup>1</sup> Symbols and Sales Numbers of United Nations documents and publications are given in parentheses after the titles.

- Hirschman, A. O., "The Political Economy of Import Substituting Industrialization in Latin America", *Quarterly Journal of Economics*, Vol. 82, No. 1, February 1968.
- Indian Institute of Foreign Trade, *Export Incentives in Developed and Developing Economies*, New Delhi, 1968.
- International Marketing Institute, *Report on the Study of the Elements and Frameworks of National Export Expansion Systems*, Agency for International Development, Washington, D.C., 1966.
- Murakami, A., "Two Aspects of the Export of Manufactured Goods from Developing Countries", *Developing Economies*, Tokyo, Vol. 6, No. 3, pp. 261 to 283, September 1968.
- Pan-American Union, *Study of the Prospects and Some Problems Facing Latin America in Expanding Its Exports of Manufactures*, Washington, D.C., 1965 (OEA/Ser. H/XIII).
- Pavlov, V. G., *Industrial Exports in the Strategy of Economic Development*, Mezhdunarodnye Otnosheniya Publishing House, Moscow, 1967. [In Russian.]





**74.09.12**